

# Protection and Development of “Geographical Indications” in Administrative Trademark Grant and Validity Cases

— From the Perspective of “Value Balance”

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“Geographical indications (GIs)” are specially stipulated in both Article 123 of the Civil Code of the People’s Republic of China and Section 6, Chapter I (Intellectual Property) of the Phase One “Sino-US Economic and Trade Agreement”. It is self-evident that “GIs” are crucial as independent subject matters eligible for intellectual property protection. Under China’s trademark registration system, GIs may be registered as collective trademarks or certification trademarks. However, in judicial examination of administrative grant and validity cases, there are certain controversies over the application of Article 16 of the China’s Trademark Law as it seems to be weakly worded. Thus, many issues need to be solved urgently and consensus is expected to be reached. From the perspective of “value balance”, this article probes into the selection and determination of the value notions of GIs, the cognitive logic of the application of relevant provisions of the China’s Trademark Law, the application of specific provisions concerning GIs and the envisagement on further protection paths, in hope of facilitating improvement and development of the GI protection system under the framework of trademark law.

## I. Selection and determination of value notions of GIs

### 1. International treaties on the protection of GIs and introduction to domestic development thereof

In the intellectual property protection system, the protection of GIs is in the process of gradual evolution. At first,

GIs were known as a general concept of the geographical name protection system, and initially protected under Article 10 of the Paris Convention for the Protection of Industrial Property; however, there were no provisions specifically set forth for the protection of appellations of origin. Later on, the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods and the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration touch upon GIs. However, the expectations of member states for the protection of GIs were not met due to the smaller number of member states and specific contents of relevant provisions.

Nevertheless, among international treaties, the Agreement on Trade - Related Aspects of Intellectual Property Rights (TRIPs) pushed the protection of GIs to a higher level. “Article 22.1 of the TRIPs stipulates that GIs are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin. Article 22.3 thereof stipulates that a Member shall, *ex officio* if its legislation so permits or at the request of an interested party, refuse or invalidate the registration of a trademark which contains or consists of a GI with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin. Article 23 thereof also provides special provisions for the additional protection of

geographical indications of wine and spirits.”<sup>1</sup>

Judging from the development of the GI protection system in the field of the China’s Trademark Law, the GI protection system has also undergone the process of gradual improvement and evolution. “On 30 December 1994, the State Administration for Industry and Commerce (SAIC) established the Measures for the Registration and Administration of Collective and Certification Trademarks according to the China’s Trademark Law and its Implementing Regulations. Although no provisions were set forth on the place of origin, it was, after all, the beginning of formal legislation on the protection of GIs in China.”<sup>2</sup> Since then, in order to live up to China’s commitment made upon its entry into the World Trade Organization, Article 16 of the China’s Trademark Law revised in 2001 separately specified the protection of GIs, and Rule 6 of the Implementing Regulations of the China’s Trademark Law promulgated in 2002 further clarified that GIs can be registered as certification or collective trademarks. The SAIC revised the Measures for the Registration and Administration of Collective and Certification Trademarks in 2003 to further specify the application for registration of GIs. With the reform of central government institutions in 2019, provisions concerning the patterns and review of GIs were newly set forth, marking the entry into a new stage.

No matter for the needs of actual economic development of industries like agriculture, or the requirements of the GI protection system and extraterritorial factors, China, as a big agricultural country, should actively boost and develop the GI protection system to be standardized, unified and coordinated.

## 2. Analysis and study of internal interests of GIs

Article 16.2 of the China’s Trademark Law stipulates that the GI means a sign that indicates the region where the goods originate and the natural or human dimensions of which primarily decide the specific quality, reputation, or other features of the goods. According to the definition of the GI in the China’s Trademark Law, the intrinsic meaning of the GI includes three aspects. First, the product indicated by the GI has a stable corresponding relationship with a particular region, and the region is not limited to provinces, cities, districts or counties in the sense of administrative division, but a natural territorial scope defined in the sense of geography, i.e., longitude and latitude. Second, features of a product, like quality and reputation, have a corresponding relationship with a particular region. The relevant public,

especially consumers, has formed a “natural reaction” to the intrinsic features of the product in that region, and can recognize the product without additional explanation and introduction. Third, specific features of the product are formed due to the natural factors or cultural factors in the specific region. In the course of history, the afore-said factors eventually imprint, through continuous and repetitive “use and identification”, a product’s unique “genes” on the GI to reach a “consensus” among consumers. This explains why the time for applying for registration of GIs as collective or certification trademarks is usually later than the time when the corresponding relationship between the product’s unique “genes” and the GI is formed. That is to say, the GI is an objective matter. The Trademark Law only provides it with a “system coat” to protect its exclusive right as a trademark, but the registration of a GI as a trademark does not mean the formation of a GI trademark.

In the invalidation case concerning the disputed trademark “JISHANHONG and device”,<sup>3</sup> the second-instance court held that although the disputed trademark was applied for registration prior to the time when the cited mark “JISHAN Old Wine” was identified as a product protected as a GI and “YONGAN JISHAN Old Wine” was registered as a GI certification trademark, it can be known in view of the current status, reputation, distinctiveness and the public’s recognition of “JISHAN Old Wine” that before the filing date of the disputed trademark, “JISHAN Old Wine” has constituted a GI on yellow wine products. The identification of “JISHAN Old Wine” as a GI by administrative departments should be deemed as a hind - confirmation of the formed objective facts.

The analysis of the meaning of GIs under the system of the Trademark Law and the legal rationale reflected in specific cases in judicial judgments help us realize that no matter whether a GI is registered as a trademark, consumers have reached a consensus on the characteristics of a product from a particular region and the formed product reputation has been rooted in consumers’ minds, through historical accumulation of natural and cultural factors.

The application of an objectively existing GI as a trademark will surely involve three subjects, which are the GI trademark owner, business operators of GI products in a specific region and consumers of GI products. Different subjects represent different interests.

Since GIs can only be registered as either collective trademarks or certification trademarks, such trademark

owners are mostly groups, associations or other organizations. These subjects apply for registration of GIs as collective trademarks or certification trademarks not for the purpose of business operations, but for proving the membership of the users of the registered GIs or the special quality of the goods under the registered GIs. From the viewpoint of owners of GI trademarks, their interests lie in “the control” over the identity and qualification of business operators using GIs, and preventing products in other regions which are not indicated by GIs from “disturbing the market” or producing improper profits.

From the viewpoint of business operators in the regions indicated by the GIs, their purpose is to convey, through GIs in the products, to the market that their products are characterized by particular qualities, thereby increasing the added value and market value of products and further gaining more market favour and higher market returns. In this sense, the interests of business operators lie in maximizing the market value of their products.

From the viewpoint of consumers, indication of GIs helps the consumers to confirm and recognize the particular characteristics of the products, in such a way to reduce purchasing costs and improve purchasing efficiency. They will not fall into the purchase pitfalls and can avoid loss of money. Thus, the interests of consumers lie in the recognition of particular characteristics of products.

As known from the above, the three subjects related to GIs pursue different “interests”, so “value” analyses shall be differentiated on a case-by-case basis, or from different perspectives, both of which will lead to the “change” in judging conclusions. How to make a choice from the perspectives of different “interests” to finally determine the value notion of GIs under the framework of trademark law will have a crucial impact on the solution of relevant issues concerning GIs.

### 3. Selection and definition of value notion of GIs

“Law is the science of interests, and there is nothing wrong with focusing on the interests underlying the rules.”<sup>4</sup> As mentioned above, under the framework of trademark law, the interests of the three subjects related to GIs are different. Thus, the value notion of GIs shall be judged from its original intention of establishment, attributes of GI provisions at different trademark grant and validity stages and the legislative purpose of the Trademark Law.

First of all, although the intellectual property protection of GIs is an exotic product, it was originally established for

guaranteeing the market interests of products of each member state. However, during the circulation of products indicated by GIs, consumers make the final decisions on purchase because of the recognition of the particular characteristics of such products; and business operators use GIs on the relevant products for the purpose of “pleasing” consumers in exchange for higher market returns. Meanwhile, both Article 22 of the TRIPS Agreement and Article 16.1 of the China’s Trademark Law take not misleading consumers as the requirement that regulates illegal use of GIs. Hence, consumers’ interests play an indispensable role in the GI system and also serve as the basis for realizing the commercial value of said system.

Second, Rule 52.2 of the Implementing Regulations of the China’s Trademark Law stipulates that in trademark rejection and reexamination cases, if the TRAB discovers that the trademark applied for registration violates Rules 10, 11, 12 or 16.1 of the Trademark Law, and a decision on rejection is not made on the basis of the aforementioned provisions, the TRAB may directly reject the application on the basis of the aforementioned provisions after listening to the opinions of the applicant. Judging from the attributes of Articles 10, 11 and 12 of the China’s Trademark Law, it can be found that they are clauses for absolutely prohibiting trademark use or registration, and such clauses are generally used to regulate the circumstances that impair the social interest, public order or public interest. By analogue, it can be derived that if a trademark application violates the provision of Article 16.1 of the China’s Trademark law, which is similar to Articles 10, 11 and 12 in terms of attributes, the public interest may be impaired. Thus, under the GI protection system, more considerations are given to the protection of consumers’ interests in the re-examination stage of a preliminarily rejected trademark applications. However, Articles 33 and 45 of the China’s Trademark Law incorporate Article 16.1 into the scope of relative clauses in the opposition proceedings and invalidation proceedings, which means if the request for opposition or invalidation is submitted according to the circumstances stipulated in Article 16.1 of the China’s Trademark Law after the preliminary examination or grant of the applied-for trademark, the right holder or interested party of the GI shall serve as the subject to initiate the request, and more attention shall be paid to the impairment of the interested party. Thus, it can be told from the change of attributes of provisions of Article 16.1 of the China’s Trademark Law at different stages dur-

ing trademark grant and validity procedure that the interests of the public (consumers) take precedence at the beginning of application for a GI-related trademark.

Finally, Article 1 of the China's Trademark Law establishes the legislative purpose of protecting multiple interests, and the interests of both consumers and business operators shall be taken into consideration and treated equally. Irrespective of whether collective trademarks or certification trademarks of GIs are applied for, the original intention of trademark registration is not to confine the use of trademarks to the trademark owners themselves, but to maximize the commercial value of GIs in the market operation by "controlling" the qualification of GI business operators and "supervising" product quality, so as to gain recognition among consumers and realize maximum commercial interests of business operators in a particular region, thereby achieving a "win-win" situation between consumers and business operators. Thus, the protection of GI based on the interests of "consumers" is in line with the legislative purpose of the Trademark Law.

To sum up, the protection of "consumers' interests" is the basic value notion for constructing the GI protection system under the trademark law system. It is for sure that during the protection of "consumers' interests", the quality of products indicated by GIs must be guaranteed to intangibly further promote the "reputation" endorsed by GIs. In doing so, the interests of trademark owners and business operators of GIs may be better protected so as to gain more profits from the market. The interests of consumers, trademark owners and business operators are mutually complementary and promotive, rather than absolutely independent. The value balance notion that takes into account the interests of consumers, trademark owners and business operators shall be established when setting up the specific GI protection system.

## II. Cognitive logic of the application of legal provisions concerning GIs

The China's Trademark Law only stipulates GIs separately in Article 16. However, in the examination of administrative trademark grant and validity cases, if the disputed trademark describes the particular geographical region or is deceptive in this regard, other provisions, in addition to Article 16, of the China's Trademark Law may be used for regulation.

"Geographically descriptive trademarks in the U.S. Trademark Act are marks lacking distinctiveness, and geographically deceptively misdescriptive marks are 'those that are deceptive and likely to mislead the public in terms of the quality, place of production or other characteristics of the goods' as stipulated in Article 10.1(7) of the China's Trademark Law (2014)."<sup>5</sup> Thus, if the disputed trademark is geographically descriptive or deceptive, it may fall within the circumstances of registration "by deceptive or other unfair means" under Articles 10.1(7), 10.1(8), 10.2, 11, 16 and 44.1 of the China's Trademark Law.

In terms of the application sequence of specific clauses, a reasonable decision will be made according to the cognitive notion of the "special superior to general" rule, internal connection and cross-reference between "GIs" and "provisions on geographical names", commonness in meaning shared between the misconception caused by products that are not from the regions indicated by GIs and "deception", as well as inherent "compatibility" between judgment on "distinctive features" and the meaning of "GIs". Thus, the following four relationships shall be clarified during the application of specific provisions: (1) if the application for registration of the disputed trademark falls within the circumstances prescribed by Articles 10.2 and 16 of the China's Trademark Law, Article 16 thereof shall prevail; (2) if the application for registration of the disputed trademark falls within the circumstances prescribed by Articles 10.1(7), 10.1(8) and 16.1 of the China's Trademark Law, Article 16.1 thereof shall prevail; (3) if the application for registration of the disputed trademark falls within the circumstances prescribed by Article 16.2 of the China's Trademark Law, the disputed trademark should not be directly determined as lacking in distinctive features on the grounds of incompliance with Article 11.1 of the China's Trademark Law; and (4) if the application for registration of the disputed trademark falls within the circumstances of obtaining a registration "by deceptive or other unfair means" under Articles 16.1 and 44.1 of the China's Trademark Law, Article 16.1 thereof shall prevail.

In the trial of administrative trademark grant and validity cases, the examination concerning GIs may involve Articles 7.1, 13, 30 and 31 of the China's Trademark Law. With reference to Article 7.2 of the Guidelines of Beijing High People's Court for the Trial of Administrative Trademark Grant and Validity Cases (hereinafter referred to as "the Guidelines for the Trial of Administrative Trademark Cas-

es”), the principle of good faith is the basic principle that should be abided by throughout the trademark registration procedure and use, and may serve as a factor to be considered in the application of a specific provision, and the judgment on whether the disputed trademark shall be registered should not be made merely according to Article 7.1 of the China’s Trademark Law. Meanwhile, when applying Articles 13, 30 and 31 of the China’s Trademark Law, the protection of well-known trademarks and the judgment on similar trademarks shall be made under the framework of the trademark law. Attention shall be paid to the fact that different types of trademarks, due to their different attributes and functions, leave different cognitive impressions on the public, which will affect relevant judgments. The detailed analysis will be expounded with reference to specific cases.

### III. Application of specific rules concerning GIs in judicial review

In administrative trademark grant and validity cases, efforts shall be made, under the GI protection system framework of the existing trademark law, to seek for a solution which can balance “justice and efficiency” to the examination on GIs in terms of the legitimacy of application documents, timing for submitting supplementary documents, substantive requirements for registering GIs as trademarks and corresponding scope of goods, allocation of the burden of proof, regulation of wrong demarcation of regions indicated by GIs, and the like.

Posner once summarized the central issues that judges face as follows: “the two central issues with which we might expect judges to be concerned are efficiency (the effect of legal rules on the size of the pie) and distribution (their effect on who gets how much of it)”.<sup>6</sup> Therefore, as to the application of specific rules concerning GIs in judicial review, we need to find out an optimal rule while bearing in mind the value balance notion and taking into account the interests of three parties, among which the consumers’ interests are the key.

“Law does not refer to the facts that occurred in the past and are happening now, but to the ‘feasible’ state of affairs.”<sup>7</sup> In the following probe into rules, works are done to make analysis based on practical judicial practice and strive to figure out potential problems facing us, in hope of finding solutions to related problems from the past experiences and future practice.

#### 1. Formal requirements for registration of GIs as trademarks and timing for submitting supplementary documents

Article 4 of the Implementing Regulations of the China’s Trademark Law promulgated in 2014 stipulates that GIs can be registered as collective or certification trademarks; according to Article 3.4 of the China’s Trademark Law, special matters concerning the registration and administration of collective and certification marks shall be provided for by the administrative department for industry and commerce under the State Council; and the existing Measures for the Registration and Administration of Collective and Certification Trademarks set forth more specific provisions on the registration of GIs as collective or certification trademarks. However, during the trademark application, the examination of the applied-for trademark will be affected by different understandings on such factors as the specific attribute of the trademark, the formal requirements for submitted documents and the timing for submitting supplementary documents. The above issues must be clarified because they are the basic matters deciding whether a GI can be registered as a trademark.

In the case concerning review on the rejection of the “山東 100” trademark application,<sup>8</sup> the second-instance court held that the tourism association did not claim that it applied for registration of a GI as a collective trademark. Thus, in the absence of evidence proving “山東 100” as a GI, special provisions on registering a GI as a collective trademark should not be applied to examine whether the applied-for trademark in the case should be registered. The first-instance court only focused on the circumstance in which a GI was applied for registration as a collective trademark, and decided that the registration of the trademark does not comply with the provision of Article 10 of the Measures for the Registration and Administration of Collective and Certification Trademarks, on the grounds that the Rules for Use and Administration of Collective Trademarks provided by the tourism association did not demonstrate the special quality of goods, and failed to require the registrant to test and supervise the special quality of the goods under the collective trademark. The first-instance court did not realize that the applied-for collective trademark was not applied on the basis of a GI. Thus, the first-instance judgment was erroneous in the application of law and should be rectified.



The applied-for trademark

As known from the above case, collective and certification trademarks include GIs registered as collective or certification trademarks, but trademarks containing a “place name” shall not be equally regarded as GI collective or certification trademarks. Signs other than GIs may also be registered as collective or certification trademarks as long as provisions in relevant laws and regulations are met.

In the case concerning review on rejection of the “镜泊乡大豆 DADOU (meaning “Jingboxiang Soybean” in Chinese) and device” trademark application,<sup>9</sup> the second-instance court held that where a trademark applicant does not apply for a collective trademark on the basis of a GI, but the Trademark Office deems that the applied-for collective trademark contains a GI and should be examined according to the criteria for examining GIs applied for collective trademarks, the Trademark Office should provide sufficient evidence proving that the applied-for collective trademark contains a GI. During the follow-up litigation after the review on the rejection of the applied-for trademark, the application procedure of the trademark is still pending. Considering that the applicant (Jingbohu Soybean Association) has submitted the revised Rules for Use and Administration of “镜泊乡大豆” Collective Trademark, a judgment shall be made on the basis of the changed facts according to law so as to substantively solve the dispute, reduce the burden of litigation on the parties concerned, and avoid idle and ineffective trademark examination procedures.

In view of the above case, where the applicant does not apply for registration of a collective or certification trademark on the basis of a GI, the Trademark Office shall bear the corresponding burden of proof if it deems that the trademark contains a GI. In addition, considering that the trademark application procedure has not finished during the litigation proceedings, the documents supplemented by the applicant in the litigation proceedings, which are compliant with the Measures for the Registration and Administration of Collective and Certification Trademarks, shall be accepted so as to save social resources and enhance examination efficiency.

镜泊乡大豆

DADOU

The applied-for trademark

## 2. Substantial requirements for registration of GIs as trademarks

In order to apply for registration a GI as a collective or certification trademark, one shall submit specific materials that are compliant with the provisions of the Measures for the Registration and Administration of Collective and Certification Trademarks, in such a way to satisfy the requirements of the “GI” definition under Article 16.2 of the China’s Trademark Law. If the trademark sign and the products designated for use do not completely match with the contents of the GI as proved by evidence, such a trademark application shall not be approved for registration so as to protect consumers’ cognition that a particular GI indicates a particular product from a particular region and therefore represents the special features of the product.

In the case concerning review on rejection of “泰山绿茶” (meaning “Mount Tai Green Tea” in Chinese) trademark,<sup>10</sup> the second-instance court held that the materials provided for trademark registration by the Mount Tai Tea Association, especially the Rules for the Use and Administration of GI Certification Trademark officially approved by Taian Government and Agricultural Bureau and formulated by the Mount Tai Tea Association, clearly indicate that the GI is “泰山茶” (meaning “Mount Tai Tea” in Chinese), which is not totally identical with “泰山绿茶” in the applied-for trademark. Thus, the applied-for trademark does not comply with the provision of Measures for the Registration and Administration of Collective and Certification Trademarks.



The applied-for trademark

In the case concerning review on rejection of the “丹东板栗 (meaning “Dandong Chestnut” in Chinese) and device” trademark,<sup>11</sup> the second-instance court held that all the evidence on record provided by the chestnut coopera-

tive is related to chestnuts produced in Dandong, which have nothing to do with the designated goods like “fruit and vegetable - based snacks, processed nuts, sugar - fried chestnuts” for which the trademark is to be used, and those designated goods such as fruit and vegetable - based snacks are not exclusively indicative and cannot be used as designated goods under the GI certification trademark.



The applied-for trademark

In view of the above cases, when a GI is applied for registration as a trademark, in addition to the materials proving the constitution of a GI, the applicant shall make sure that the trademark sign shown in the materials “literally corresponds” to the designated goods for which the trademark is used. This not only protects consumers’ stable cognition to the maximum extent, but also avoids improper expansion of the scope of exclusive rights of GI collective or certification trademarks, which may impair legitimate rights and interests of other producers and operators. In comparison with the right of GI collective or certification trademarks to prohibit others’ use, the strict literally-defined “positive list” system should be adopted in the trademark examination, so as to ensure that the scope of exclusive rights of such trademarks should be consistent with their own characteristics.

### 3. Allocation of the burden of proof in the registration of GIs as trademarks

“The setting of rights is a process of balancing interests between social relations. It is necessary to get the interested parties involved to lay the foundation for recognition and respect on the basis of ‘legitimacy’.”<sup>12</sup> In the administrative grant and validity cases concerning GI trademarks, the allocation of the burden of proof affects not only the case conclusion, but also the legal consequences undertaken by the parties. Therefore, when the burden of proof is allocated, consideration shall be given to the interests of each party and each party’s liabilities shall be clarified according to the facts of the case and the difficulty in proof.

In the dispute over “西山焦 xishanjiao” trademark<sup>13</sup>, the second-instance court held that when judging whether

the application for the disputed trademark violates Article 16 of the China’s Trademark Law, the first thing to do is determine whether the disputed trademark contains a GI, and the corresponding burden of proof shall be borne by the party which asserts that the application for the disputed trademark violates Article 16 of the China’s Trademark Law. In a dispute over cancellation of a trademark, the requestor who files a request for cancelling the trademark registration shall bear the corresponding burden of proof; and in the administrative trademark lawsuit, the Trademark Review and Adjudication Board which confirms the presence of a GI shall bear the corresponding burden of proof. Meanwhile, when judging whether the registration of the disputed trademark violates Article 16.1 of the China’s Trademark Law, the trademark applicant or registrant shall bear the burden of proving that the goods under the disputed trademark come from the region indicated by the GI and no misconception is caused among the public.

In view of the above case, according to the basic allocation rule that “the burden of proof always lies with him who alleges”, the applicant who alleges that the sign of the disputed trademark constitutes a GI shall bear the burden of proof in the administrative proceedings; in the litigation proceedings if a party is not satisfied with the administrative act, according to the provisions of the Administrative Procedure Law, the administrative authority shall bear the burden of proving the legitimacy of its administrative act, and produce evidence in support of the determined facts; and under the circumstances where the disputed trademark constitutes a GI, the trademark applicant or registrant shall bear the burden of proving that the disputed trademark does not violate Article 16.1 of the China’s Trademark Law.

### 4. Determination of the scope of protection of GI trademarks

The strict literally-defined “positive list” system shall be adopted when examining whether a GI can be registered as a trademark to obtain the exclusive right. In contrast, when protecting a GI, a suitable effect-defined “negative list” system shall be adopted to decide whether consumers are likely to associate the disputed trademark with the GI and whether their judgements on the place of production or even characteristics of goods may be affected.

“A way, which is purpose-oriented and set with desired functions, to organize knowledge or affairs according to their relationships and effects is called systematization.”<sup>14</sup> The reason why a GI is applied for registration as a trade-

mark with an exclusive right and a prohibitive right, i.e., examined under different rules like “the positive list” and “the negative list”, is to keep the balance of interests between the concerned parties, prevent consumers from making wrong choices and purchases, and avoid improper expansion of the scope of the GIs, thereby further providing a systematic protection mode of GIs under the trademark law.

In the case concerning review on opposition of the “螺旋卡帕 SCREW KAPPA NAPA” trademark<sup>15</sup>, the second-instance court held that although the opposed trademark only contains one English word “NAPA” of the GI “纳帕河谷 (Napa Valley)”, “纳帕” and “Napa” are the most distinctively identifiable parts of the GI in Chinese and English respectively. In face of the word “NAPA” on wine goods, the public is easy to associate it with the GI “纳帕河谷 (Napa Valley)” and mistakenly believes that the goods under that sign come from the region indicated by the GI. Hence, the registration of the opposed trademark violates Article 16.1 of the China’s Trademark Law.

In the administrative dispute over the “杨柳青 (pronounced as Yangliuqing)” trademark<sup>16</sup>, the second - instance court held that paper-cut and New-Year pictures are products used for festival celebration, and are substantially the same in terms of function, use, sales channel and consumers. In consideration of the reputation of “Yangliuqing New-Year pictures”, the use of “杨柳青” on paper-cut products is prone to cause misconception among the public that those paper - cut products also come from Yangliuqing County, Tianjin. Therefore, the registration of “杨柳青” on paper-cut products also violates Article 16 of the China’s Trademark Law.

In view of the above cases, in the cases concerning GI trademarks, the judgments are made on the basis of whether consumers will associate signs and designated goods of the disputed trademarks with the GIs, thereby causing misconception. Relevant provisions can be found in Article 17.1 of the Provisions of the Supreme People’s Court on Several Issues Concerning the Trial of Administrative Cases Involving Trademark Grant and Validity. “Since a GI is closely associated with a particular product, there is a view that the GI only protects products of the same type. As a matter of fact, if other goods are sufficiently similar to the GI products, it is still quite possible to cause misconception among consumers about the source and quality of the goods if the GI is registered on the goods. Under such circumstances, Article 16 of the China’s Trademark Law shall

apply.”<sup>17</sup> The “negative list” used for protection of GIs includes signs that are similar to GIs and goods that are similar to those indicated by the GIs.

#### 5. Determination of conflict of rights between GI trademarks and other goods or service trademarks

GIs can be registered as collective or certification trademarks. According to Article 3 of the China’s Trademark Law, trademarks can be divided into goods marks and service marks (hereinafter referred to as “common trademarks”), collective trademarks and certification trademarks. If there is a conflict of rights between GI collective or certification trademarks and “common trademarks”, is it possible to apply the provisions of Articles 13, 30 and 31 of the China’s Trademark Law? If yes, how to determine the judging rules is an issue to be solved.

Views on this issue are divided due to the difference in the functions of different types of trademarks. Some people think that they are not “homogeneous” and incomparable because GI collective or certification trademarks are different from “common trademarks” in terms of functions and purposes. Others believe that different types of trademarks as stipulated by the trademark law are regulated under the trademark system framework. Where there is a conflict of interests between them, they are comparable just like similar objects. Regarding the divergence on this issue, the Provisions of the Supreme People’s Court on Several Issues Concerning the Trial of Administrative Cases Involving Trademark Grant and Validity clarifies that where there is a conflict of interests between the GI collective or certification trademarks and “common trademarks”, they can be compared under Articles 30, 31 and 13 of the China’s Trademark Law. So far, this issue has been settled.

In the three invalidation cases concerning the “阿瓦提慕萨莱思 AWAT MUSALLES and device” trademark,<sup>18</sup> the “怀铁棍山药 (meaning ‘stick-shaped yam’ in Chinese)” trademark,<sup>19</sup> and the “阿鲁科尔沁牛肉 (meaning ‘alukerqin beef’ in Chinese) A LU KE ER QIN NIU ROU and device (designated color)” trademark<sup>20</sup>, the courts all made specific decisions on whether the GI collective or certification trademarks are similar to “common trademarks” and can be protected as well-known trademarks, which confirmed that they are comparable.

As for the similarity between GI collective or certification trademarks and “common trademarks” and the rules for protecting them as well-known trademarks, the Beijing High Court set forth tentative provisions in Articles 13.5 and



13.6 of the Guidelines for the Trial of Administrative Trademark Cases, namely “if a GI collective or certification trademark is applied for registration after the application for a common trademark, judgment on whether confusion on the source of goods or services is likely caused among the public can be made in conjunction with the objective conditions, reputation, distinctiveness and public’s cognition of the GI; and if a GI collective or certification trademark is applied for registration prior to the application for registration of a common trademark, judgment on whether confusion on the source of goods or services is likely caused among the public can be made according to whether the improper free-riding of the reputation of the GI occurs.” The above rules aim at protecting GIs after analyzing the formation methods, expected purposes, intrinsic value and interests of the two.

#### 6. Regulation of wrong territorial scopes of GI trademarks

GIs are premised on indication of the origin of a certain product from a specific area. Therefore, when a GI is used as a collective or certification trademark, the scope of the specific area should be clarified. As mentioned above, by geographically labelling production areas, it is likely to prevent consumers from making wrong choices and purchases due to wrong demarcation of production areas, which will in turn provide illegal profits for trademark applicants. Generally speaking, wrong demarcation of territorial scopes of GI trademarks can be divided into two circumstances: one is that the territorial scope of the applied-for GI extends beyond the actual area indicated by the GI, which means that the areas not indicated by the GI are included into a particular area; and the other is that the territorial scope of the applied-for GI is smaller than the area actually indicated by the GI, which means that the areas indicated by the GI are not included into a particular area. Those acts of wrongly defining territorial scopes shall be regulated according to specific circumstances.

In the invalidation case concerning the “祁门红茶 (meaning ‘Qimen black tea’ in Chinese) and device (designated color)” trademark<sup>21</sup>, the second-instance court held that the disputed trademark merely defines the territorial scope of the GI certification trademark within the administrative territory of Qimen County, Anhui Province. Although the territorial scope conforms to the territorial scope of a narrow “Qimen Black Tea” production area, it is obviously different from the territorial scope of a broad “Qimen Black Tea” pro-

duction area that is widely recognized by the public. Though knowing the presence of the dispute, the Qimen Black Tea Association failed to fully and accurately report the dispute in the trademark application procedure to the Trademark Office. Especially when Guorun Co. withdrew the application for trademark opposition according to the minutes of the meeting held by Anhui Administration for Industry and Commerce, the Qimen Black Tea Association still inactively waited for the approval of registration of the dispute trademark. Such an act obviously violates the good-faith obligation borne by the trademark applicant, which falls into the circumstances of “registration by unfair means” under Article 41.1 of the China’s Trademark Law 2001.

In view of the above cases and in conjunction with specific rules of the China’s Trademark Law, there are three circumstances under which the acts of wrongly defining territorial scopes of GIs are regulated: (1) if the territorial scope of the applied-for GI is larger than the actual area indicated by the GI, it obviously causes misconception among consumers, which can be regulated under Article 16.1 of the China’s Trademark Law; (2) during the trademark application procedure, if the territorial scope of the applied-for GI is smaller than the actual area indicated by the GI, although the characteristics such as the quality of a product match the GI production area, it may still cause misconception about the GI production area among consumers, which can be regulated under Article 10.1(7) of the China’s Trademark Law; and (3) during the trademark invalidation procedure, if the above second circumstance occurs, the clause of “registration by other unfair means” under Article 44.1 of the China’s Trademark Law may apply, in addition to Article 10.1(7).

The above are the summary of six common issues concerning the application for registration of GIs, as well as the resolutions thereof, based on judicial trial practice and connotations of specific provisions of the China’s Trademark Law from the perspective of balance of interests.

## IV. Reflections on GI judicial protection route

In order to provide a systematic, scientific and holistic protection, this article analyzes the intrinsic value, concepts and specific rules of GI protection under the trademark law system, in an effort to improve and revise the protection of

GIs from the aspects of “unity of provision attributes, consistency of applied provisions, clarity of determination rules and independence of establishment of provisions”.

We shall try to avoid the cognitive differences in attributes of identical provisions at different trademark grant and validity stages, avoid the differences in the determination of identical issues due to lack of consistency between different provisions in the trademark law, and avoid insufficient protection of GIs due to overbroad generalization of GIs-related provisions in the trademark law. Due to space restrictions, no further discussions on protection routes will be presented.

In conclusion, GIs protection requires an all-round system covering aspects ranging from grant and validity procedures to infringement remedies. We should not only rely on the judicial “dynamic role” to meet the actual needs, but also provide strict protection for GIs, an important intellectual property right, through persistent exploration and improvements. ■

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\*This article only represents the author’s personal views, not the work unit where he serves.

<sup>1</sup> Zhou Yunchun (2014). Rules and Cases: Litigations Involving Trademark Grant and Validity (pp. 186-187). Law Press·China.

<sup>2</sup> Huang Hui (2016). Trademark Law (2<sup>nd</sup> version) (p. 272). Law Press·China.

<sup>3</sup> See the Administrative Judgment No. Jingxingzhong 3654/2019.

<sup>4</sup> Li Chen (2006). On the Systematization of Intellectual Property Law (p. 65). Peking University Press.

<sup>5</sup> Trademark Manual of Examining Procedure (2008 edition, p. 418), translated by the USPTO and proofread by SAIC. The Commercial Press. Cited from the Intellectual Property Tribunal of the Beijing High People’s Court (compiler) (2014). Chen Jinchuan (editor-in-chief). Judicial Examination on Trademark Grant and Validity (p.160). China Legal Publishing House.

<sup>6</sup> David·D·Friedman (U.S.) (2004). Yang Xinxin (translator). Long Hua (compiler and editor). Law’s Order: What Economics Has to do with Law and Why it Matters (p.10). Law Press·China.

<sup>7</sup> Hans Poser (DE) (2002). Li Wenchao (translator). Wissenschaftstheo-

rie: Eine philosophische Einführung (p. 54). Shanghai Sanlian Press.

<sup>8</sup> See the Administrative Judgment No. Gaoxing(zhi)zhongzi 1980/2015.

<sup>9</sup> See the Administrative Judgment No. Jingxingzhong 1872/2016.

<sup>10</sup> See the Administrative Judgment No. Jingxingzhong 5225/2017.

<sup>11</sup> See the Administrative Judgment No. Jingxingzhong 2441/2019.

<sup>12</sup> Xie Xiaoyao (2010). Between Experience and System: Studies on the Types of Anti - Unfair Competition Judicial Cases (p. 153). Law Press·China.

<sup>13</sup> See the Administrative Judgment No. Gaoxing(zhi)zhongzi 1568/2015.

<sup>14</sup> Huang Maorong (2001). Legal Methodology and Modern Civil Law (p. 458). China University of Political Science and Law Press.

<sup>15</sup> See the Administrative Judgment No. Jingxingzhong 2295/2016.

<sup>16</sup> See the Administrative Judgment No. Gaoxingzhongzi 1437/2009.

<sup>17</sup> Song Xiaoming, Wang Chuang, Xia Junli and Dong Xiaomin (2017). Understanding and Application of the Provisions on Several Issues Concerning the Trial of Administrative Cases Involving Trademark Grant and Validity. *People’s Jurisprudence*, 10, 39.

<sup>18</sup> See the Administrative Judgment No. Jingxingzhong 5531/2017.

<sup>19</sup> See the Administrative Judgment No. Jingxingzhong 5116/2018.

<sup>20</sup> See the Administrative Judgment No. Jingxingzhong 5209/2016.

<sup>21</sup> See the Administrative Judgment No. Jingxingzhong 3288/2017.

## “China-Poland Liaison Mechanism” Pilot Program between CNIPA and PPO to Be Launched

To better serve commercial exchanges between China and Poland, help enterprises of the two countries address IP-related problems and concerns in each other’s countries, CNIPA and PPO decide to jointly launch the “China-Poland Liaison Mechanism” pilot program.

The two offices will respectively appoint one IP liaison officer to provide IP-related consultation services for enterprises operating in each other’s countries, and support them to get valid IP protection.

The “China-Poland Liaison Mechanism” pilot program will have a one-year term from October 1, 2020 to September 30, 2021.

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